Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554

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| In the Matter of<br><br>2000 Biennial Regulatory Review – Telecommunications Service Quality Reporting Requirements | CC Docket No. 00-229 |

# REPLY COMMENTS OF VERIZON[1]

## I. Introduction.

As expected, some commenters have tried to use this biennial review proceeding, which is required by law to consider the reduction or elimination of unnecessary regulations, to *increase* the regulatory burden on one segment of the industry – the incumbent local exchange carriers. This would subvert the intent of Congress that the Commission should use the biennial review proceedings as a housecleaning tool for getting rid of regulations that have outlived their original purpose, but that continue to exist through bureaucratic inertia. By trying to create new justifications for retaining or expanding the ARMIS reports, the commenters implicitly acknowledge that the reports are no longer needed to meet their original purpose. By interjecting justifications that have nothing to do with the FCC's regulatory mandate, they acknowledge that

[1] The Verizon telephone companies ("Verizon") are the affiliated local telephone companies of Verizon Communications Corp. These companies are listed in Attachment A.

there is no other legitimate federal purpose for the Commission to continue the ARMIS reports. These reports should be eliminated immediately.

## II. The Act Does Not Permit The Commission To Adopt New, More Burdensome Rules In A Biennial Review Proceeding.

The proposals in the *Notice of Proposed Rulemaking ("NPRM")* to add new, burdensome reporting requirements have only encouraged some commenters to add their "wish lists" for additional reporting requirements that would apply only to the incumbent local exchange carriers. ***See, e.g.***, CompTel, 10-11; Covad, 2-5; ALTS, 6. These proposals should be rejected. As several commenters pointed out, Section 11 of the Act does not permit the Commission to impose increased regulatory burdens in a biennial review proceeding. ***See, e.g.***, USTA, 2; Qwest, 14; BellSouth, 11. Section 11 requires the Commission to eliminate rules that are no longer "necessary in the public interest." As the Commission stated in its 2000 Biennial Review Report, "as a part of the biennial review process, we do not intend to impose new obligations on parties in lieu of current ones, unless we are persuaded that the former are less burdensome than the latter and are necessary to protect the public interest." *2000 Biennial Regulatory Review,* CC Docket No. 00-175, Report, FCC 00-456 (rel. Jan. 17, 2001) ¶ 19. The proliferation of additional reporting proposals highlights the need to cleave to the statutory standard and to restrict this proceeding to its proper scope – the reduction or elimination of unnecessary regulations. The Commission should reject the additional reporting requirements in the comments as well as the new monitoring program proposed in the "NARUC White Paper." ***See*** *NPRM*, ¶ 44.

Some commenters argue that the Commission should impose new reporting requirements for broadband services. ***See, e.g.***, Wisconsin PSC, 9; GSA, 10; Ohio PUC, 10; ALTS, 11. As

USTA points out, it would be contrary to the deregulatory purpose of the Telecommunications Act of 1996 to expand the reporting requirements to new services and technologies. ***See*** USTA, 5. The Commission already requires the carriers to provide information in Form 477 on the deployment of broadband services. ***See*** SBC, 6. The Commission should not add service quality reporting burdens for these services, which are highly competitive and should have existing regulation removed, not new burdens added on. This is especially true given that broadband services provided by the telephone companies are uniquely burdened by regulation.

Some commenters also argue that the Commission should use the ARMIS reports to measure the quality of wholesale services and to provide data that can be used to evaluate requests for long distance authority under section 271. ***See, e.g.***, Covad, 3; CompTel, 6. These efforts to change both the nature of the ARMIS reports and their purpose clearly show that the rules as they exist today are obsolete. Such proposals can only be considered in separate rulemaking proceedings based on a showing that new reports are necessary to achieve specific policy objectives. They are irrelevant to the purpose of the existing ARMIS reports and cannot be shoehorned into this biennial review proceeding.

Several carriers support expanded reporting requirements on one condition – that the burden would fall on someone else. ***See, e.g.***, WorldCom, 4-10; Covad, 2-7, ALTS, 12-13; CompTel, 2. They argue that the incumbent local exchange carriers should be subject to more detailed reporting of service quality data for local exchange and interstate access services in addition to new obligations to report such data for their wholesale services. In the same breath, these carriers insist that imposing the same reporting obligations on themselves would be an intolerable burden and that it would harm their competitive position by giving consumers a basis

for comparison with the incumbents. The self-serving and self-contradictory nature of these arguments is obvious. The service quality reports would be of no use to consumers in making choices among competing carriers if only one carrier in each market submitted the reports. For this reason, if the Commission retains the ARMIS reports as a consumer education service (which it should not), it should require these reports from all competing carriers, including competitive local exchange carriers, interexchange carriers, and even cable carriers that offer local telephony or other services that compete with the local exchange carriers. ***See*** Wisconsin PSC, 3-4; Michigan PSC, 4. Of course, the best approach, and the one demanded by the statute, is to eliminate these reporting requirements now that they no longer serve their original purpose.

## III. The Commission Should Not Assume The Role Of Data-Gatherer For The State Commissions.

Some state commissions support the Commission's proposal to retain the ARMIS service quality reports, which clearly are no longer necessary to meet federal policy goals, to assist the state commissions in monitoring the quality of local telephone service. ***See, e.g.***, Michigan PSC, 1, 5; Indiana URC, 2; Illinois CC, 1; NARUC, 3. However, they admit that the states have the ability to require their own reports and can tailor these reports to the policy objectives in each state. ***See*** Michigan PSC, 2; Indiana URC, 2. In fact, almost all state commissions already have adopted their own reporting requirements. ***See*** BellSouth, 6; Sprint, 2; Vermont ITCs, 2. The states do not need the Commission's help – they have both the statutory authority and the expertise to require carriers to report data that are directly relevant to the issues in the state proceedings. While the state commissions argue that the ARMIS reports are useful in comparing carriers' performance in different states, such comparisons are misleading due to differences in

local conditions and the types of services provided. More importantly, the Act provides no authority for the Commission to impose reporting requirements solely to promote the exercise of state regulatory functions.[2]

## IV. The Commission Should Not Include Non-Network Troubles Or Customer-Caused Events In The Service Quality Reports.

CWA argues that the Commission should not allow exclusions from the service quality data for such things as troubles that are caused by the customer's inside wire or customer premises equipment, customer requests to extend installation intervals, and customer failures to provide access when the technician arrives. CWA, 12, 14; ***see also*** Michigan PSC, 4. According to CWA, the current exclusions allow a carrier to "game" the report rate by improperly coding a trouble or missed appointment to the customer or the customer's side of the network. This argument has no merit. Including troubles or missed repair or installation intervals that are caused by the customer would make the data meaningless as a measure of the reliability of the network or the speed by which a carrier responds to installation and repair requests.

Moreover, the claim that the carriers will or have falsified data is speculative and baseless. The only "facts" cited by CWA to support this allegation are the results of its own survey of its

[2] WorldCom tries to find a federal purpose for the ARMIS reports by citing the Bell Atlantic/GTE and SBC/Ameritech merger orders, which required the carriers to submit quarterly ARMIS service quality reports. ***See*** WorldCom, 5-6. However, these requirements were adopted to meet the one-time need to determine if service quality declines as a result of the mergers. They sunset in three years and clearly do not establish a policy objective that would support a general reporting requirement. Indiana PSC's related argument (at 4) that the Commission can require quarterly reporting of ARMIS data is directly contrary to the Act, which required the Commission to discontinue this requirement. ***See*** Telecommunications Act of 1996 §402(b)(2)(B).

union members in the midst of an intense union/Verizon dispute over disciplinary action that Verizon had taken for work stoppage related incidents. When CWA first presented this so-called report to the New York State commission, Verizon demonstrated that it did not contain any facts, but merely unsubstantiated and unverifiable responses to ambiguous survey questions. Verizon's internal methods and procedures clearly set forth the proper way to code information in the systems that produce the service quality reports, and Verizon uses internal reviews, quality assurance teams, service quality audits, and programmed system controls to ensure that the data are entered correctly. Verizon's code of conduct makes it clear to all employees that they are subject to disciplinary action, up to and including dismissal, for misconduct such as willfully falsifying data. CWA has presented no facts to show that such improper conduct has occurred.

## V. Conclusion.

The record in this proceeding confirms the fact that the ARMIS service quality reporting rules have outlived their original purpose and must be eliminated under Section 11 of the Act. The Act also makes it clear that the Commission cannot use this biennial review proceeding to adopt the proposals of some commenters that would increase the regulatory burden of ARMIS reporting.

Respectfully submitted,

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ATTACHMENT A

THE VERIZON TELEPHONE COMPANIES

The Verizon telephone companies are the local exchange carriers affiliated with Verizon Communications Corp.. These are:

Contel of Minnesota, Inc. d/b/a Verizon Minnesota
Contel of the South, Inc. d/b/a Verizon Mid-States
GTE Alaska Incorporated d/b/a Verizon Alaska
GTE Arkansas Incorporated d/b/a Verizon Arkansas
GTE Midwest Incorporated d/b/a Verizon Midwest
GTE Southwest Incorporated d/b/a Verizon Southwest
The Micronesian Telecommunications Corporation
Verizon California Inc.
Verizon Delaware Inc.
Verizon Florida Inc.
Verizon Hawaii Inc.
Verizon Maryland Inc.
Verizon New England Inc.
Verizon New Jersey Inc.
Verizon New York Inc.
Verizon North Inc.
Verizon Northwest Inc.
Verizon Pennsylvania Inc.
Verizon South Inc.
Verizon Virginia Inc.
Verizon Washington, DC Inc.
Verizon West Coast Inc.
Verizon West Virginia Inc.

CERTIFICATE OF SERVICE

I hereby certify that on this 16th day of February, 2001, a copy of the foregoing "Reply Comments of Verizon" was sent as an electronic file via the Commission's Electronic Comment Filing System (ECFS).

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Eric Fitzgerald Reed